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Approved For Release 2004/05/05: CIA-RDP80M01082A000200110003-9

DCI/IC 74-0434 19 September 1974

MEMORANDUM FOR: Admiral Harvey

SUBJECT

: FY 74/75 Financial Review at October IRAC

- 1. I discussed with the problem you mentioned to me on 18 September concerning detailed data calls by GDIP program managers in order to provide IRAC with quarterly reports of expenditures.
- 2. First, there is no requirement to submit "comptroller-type" reports of "expenditures" to IRAC on a quarterly basis. However, when IRAC began meeting regularly last year, it was agreed that it provided an appropriate forum to discuss, on a regular basis, the progress of approved programs, to include:
  - impact of events on program implementation (i.e., world events, Congressional actions, management problems, etc.)
  - reprogramming actions taken
  - near-term expectations and program implications.

Consequently, there was a requirement established last December for program managers to develop an operating and financial plan (dealing with major program entities) against which each program manager could then report their expenditures. The memorandum (Attachment 1) stresses that these would be broad post audits of program progress and that formats were left up to program managers. NSA led-off in the hope that their pitch would set the tone for such run-downs.

3. The first two meetings were concerned with the plans and brief reviews. The July meeting focused on FY 76 programs. This brings us to the upcoming meeting. In early August, \_\_\_\_\_ met with various comptrollers to plan the best way to conduct a financial review for the DCI. At that meeting, we floated a strawman (Attachment 2) which proposed a one-page format for each program showing planned vs. actual expenditures by quarter and asked them to highlight major reprogramming actions and manpower trends. The group reaction was that it would be very difficult

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to give us quarterly data and it would not be possible to show actual expenditures. \_\_\_\_\_ then asked them to provide an outline of what they could present by way of a meaningful financial review for the DCI. He clearly pointed out that we held no brief for the format proposed, that it was meant to stimulate discussion.

- 4. Attachment I is the outline which DIA prepared for the October IRAC. We received it understanding that it was very preliminary and subject to change. It appears to cover the ground. As nearly as I can tell, DIA has felt the need to initiate a fairly extensive data call in order to work to this outline. While I don't believe we ought to presume to tell DIA how they should meet the need to keep the DCI and IRAC up to date on "how-goes-it" type briefings, your concerns expressed to me yesterday may be well justified.
- between ASD(I), DIA, and the Services. I think you are in a unique position to intercede and become a "voice of reason". I appreciate DIA's problem. Virtually every requirement for resources data becomes, by necessity, a special data call. However, given the broad latitude which IRAC gives the program manager to determine his own formats, decide what he will present, etc., I think you could lead them to taking full advantage of the DCI's willingness to accept broad, general reviews and program managers judgments. This means that DIA participation (as well as everyone else's) is largely self-defined and could be built on available information, supplemented only when absolutely necessary, by data from the field. I would urge you to take this approach when you are in DIA full-time.

Acting Chief, MPKRD

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IC/MPRRD/: jac

Distribution:

1 - Addressee

1 - 1 - 1 - 1 - 1 - MPRRD Reading

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1 - JWB chrono

# Approved For Release 2004/05/05: CIA-RDP80M01082A000200110003-9 INTELLIGENCE RESOURCES ADVISORY COMMITTEE

IRAC-D-74.3/1 14 December 1973

MEMORANDUM FOR: Intelligence Resources Advisory Committee
Members

SUBJECT :

: IRAC Quarterly Reviews

1. A major charge in the President's 5 November directive to the DCI is to improve both the effectiveness and efficiency of the National Foreign Intelligence Program, and reconcile intelligence requirements and priorities within budgetary constraints. Specific focus has been provided to this goal through a series of intelligence community objectives which have been submitted to and approved by the President. These Presidential objectives have been further specified by substantive and management objectives which we are now in the process of formally establishing with USIB and IRAC and which will directly impact on all program managers.

- 2. As an integral part of this effort, we need a means for the Intelligence Resources Advisory Committee to monitor resource requirements and utilization by the program managers. Accordingly, each addressee is asked to develop an operating and financial plan which displays planned resource utilization in terms of major organizational and/or functional program entities and, where feasible, relates planned resource use to objectives. These operating plans should be structured to meet the individual requirements of the program concerned but, in any case, so that each program manager can report actual resource use against his plan at the IRAC Quarterly Reviews.
- 3. The purpose of these reviews is to provide IRAC visibility to current spending decisions and permit a broad <u>post audit</u> of program progress. Therefore, progress reports should include appropriate explanation of major variances along with a statement of the corrective actions taken.

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Approved For Release 2004/05/05 : CIA-RDP80M01082A000200110003-9

### Approved For Release 2004/05/05: CIA-RDP80M01082A000200110003-9

- 4. The initial operating plans for FY 1974 should be submitted to me through your IRAC representative by 24 January 1974. Henceforth, they should be developed as a part of the normal programming schedule and made available at the beginning of each fiscal year for review at the July IRAC meeting. Plans and formats should be designed insofar as possible to allow reporting of activities through existing management systems. Since each program manager is responsible for the structure and results of his program, no effort is made to prescribe specific format, although, in some instances it may be necessary for program managers to design special reporting mechanisms.
- 5. The IRAC Working Group will have the responsibility for monitoring reporting under this requirement. Formats designed to implement the requirement should be submitted to the Chairman of the Working Group by 4 January. A subsequent meeting of that Group will review the formats in preparation for presentation of the actual reports by program managers at an IRAC meeting early in the year. If additional assistance is desired, point of contact is

Chairman of the IRAC Working Group

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Chairman

cc: Chairman, Intelligence Research & Development/Council Secretary of the Navy Secretary of the Air Force Director, Defense Intelligence Agency Director, National Security Agency

Deputy to the DCI for the Intelligence Community

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Attached is a recommended format to be used by each program manager for 10-min financial review for September 27 IRAC.

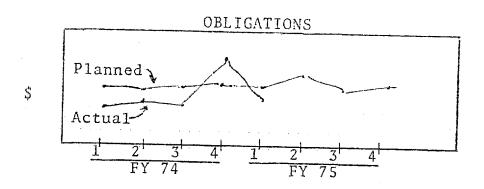
Form should be used as follows:

- forwarded to IC/MPRRD NLT COB 23 Sept.
- be basis for PM's remarks to IRAC
- supporting documents may (but need not) be attached.

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(Program)



# MAJOR DEVIATIONS FROM PLANNED OBLIGATIONS

ITEM PLANNED \$ ACTUAL \$ IMPACT

A B C

# MAJOR ACCOMPLISHMENTS

A B C

# Manpower

Beg FY 74 End FY 74 End FY 75

MIL CIV

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#### IRAC BRIEFING

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# fy 74 and FY 75 FINANCIAL REVIEW

- 1. FY 1974 Financial Performance
  - a. Initial Financial Plan.
  - b. Congressional Adjustments with Impacts.
- c. Other Reprogramming--significant changes made during fiscal year to accommodate operational requirements. Assess intelligence impacts.
  - d. End-Year Obligations.
- 2. FY 1975 Financial Planning, GDIP/SRVP
  - a. Initial Financial Plan.
  - b. Congressional Adjustments with Impacts.
- c. Anticipated Obligations--to include any major changes anticipated to meet current needs. Assess intelligence impacts.
- 3. FY 74-75 Manpower, GDIP/SRVP
  - a. Manpower Changes During FY 1974.
  - b. Anticipated Changes During FY 1975.

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